FAS REPORT

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Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE 50-82

WASHINGTON, Dec. 15--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

FRANCE has sold another 1 million tons of wheat to the Soviet Union, bringing the total for the current marketing year to 3.0 million, according to reports from the European Community. These sales indicate French-Soviet grain trade has reached the top end of the trade agreement that was signed between the two countries earlier this year. Some sources indicate that French wheat sales to the Soviet Union could go even higher. This stands in sharp contrast with last year's trade of less than 900,000 tons. Because internal EC wheat prices are significantly above world market prices, any sale to the USSR requires export subsidies of nearly $70 per ton.

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WORLD total grain production in 1982/83 is forecast at a record 1.65 billion tons, up 1 percent from last month and 2 percent above the 1981/82 crop.

World wheat production is now forecast at a record 470 million tons, up 2 percent from last month's estimate and 5 percent above the 1981/82 outturn. Improved crop prospects in Argentina and upward revisions in the estimates for China, Canada, France and India were the major causes for the increase in the 1982/83 world production estimate. Excessive end-of-season rains reduced crop prospects and lowered crop quality in Brazil.

World coarse grain production for 1982/83 is forecast at a record 785 million tons, up 1 percent from last month and 2 percent above the 1981/82 crop. Corn and sorghum production estimates were increased in Argentina due primarily to upward adjustments in area estimates. An increase in Brazil's corn area estimate boosted the production estimate there by 3 percent. Elsewhere, production estimates were revised upward in Canada (mostly barley and corn), France (mostly corn), India (mostly millet and sorghum) and Poland (mostly rye). Corn production estimates were adjusted downward in Italy and Thailand.

World rice production for 1982/83 is forecast at 399 million tons (rough basis), up marginally from last month's estimate, but 3 percent below the 1981/82 crop. In China, the estimate was raised to a record 148.0 million tons due to upward adjustments in both area and yield. Production estimates were lowered for Brazil and Japan due to downward adjustments in the area estimate.

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OILSEEDS AND PRODUCTS

WORLD oilseed production in 1982/83 is forecast at 185.1 million tons, up fractionally from a month ago, and 7.5 percent above a year earlier. Reduced production forecasts for soybeans, principally in Brazil, were more than offset by an upward revision for cottonseed production.

Global soybean production for 1982/83 is forecast at 97.4 million tons, down 0.2 million from last month, but 11.2 million above 1981/82. The Brazilian crop estimate was lowered by 0.3 million tons to 14.0 million, but is still well above last year's drought-reduced crop of 12.8 million. Mexican production was raised to 0.55 million tons as damage from Hurricane Paul was less than expected.

World cottonseed production is forecast at 26.8 million tons, up 0.4 million from last month but 1.1 million below 1981/82. The largest revision is in the Chinese crop, which is up 0.2 million tons because of government announcements that indicated higher yields and a larger cotton crop. Cotton production estimates were revised upward for Brazil, Paraguay and the United States.

Global sunflowerseed production is forecast at 16.3 million tons, essentially unchanged from a month ago. Larger crop prospects for Bulgaria are offset by reduced Canadian and Australian estimates.

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Planting of BRAZIL's 1983 soybean crop is well behind schedule due to excessive rains in major soybean growing areas. Although plantings could still be completed with favorable weather, there is some concern that the lateness in planting may cause a slight drop in yields, especially for the early varieties. The current USDA estimate for the 1983 crop is 14.0 million tons, down 0.3 million from the previous estimate, but above the poor 1982 outturn of 12.8 million tons. The yield forecast for the current crop was reduced slightly to 1.71 tons per hectare and area is now estimated at 8.2 million hectares.

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In SPAIN, favorable poultry and egg prices during the summer and fall have led to increased demand for soybean meal. Spanish soybean imports reached a record 3.3 million tons for the November-October 1981/82 marketing year, according to the U.S. agricultural counselor in Madrid. Soybean imports are forecast to rise to 3.4 million tons in the current marketing year, leading to increased Spanish exports of both soybean meal and oil. Mediterranean Basin countries are traditional markets for Spanish soybean products, but the Soviet Union is becoming an increasingly important outlet for Spanish soybean oil. Spain exported nearly 70,000 tons of soybean oil to the USSR in the first half of 1982 and a sale of 20,000 tons has been made for January 1983 delivery.

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COTTON AND FIBERS

WORLD cotton production in 1982/83 is forecast at 68.2 million bales, up a million from last month's estimate but nearly 3 million below 1981/82. Upward revisions in crop prospects in China and Brazil account for most of the increase. Chinese production now is forecast at a record 15.5 million bales, 0.5 million above the November estimate and nearly 2 million above last year's crop. Brazilian output has been revised up one-tenth to a near-record 3.2 million bales. Production in both countries reflects record-high yields, helping boost this season's foreign crop estimate to a new high of 56.1 million bales. Record yields also feature the 1982/83 U.S. crop, as production is forecast at 12.1 million bales, slightly above a month ago.

DAIRY, LIVESTOCK AND POULTRY

With Japanese backing, CHINA recently started construction of a broiler production facility near Beijing with a capacity of 10 million birds per year. When completed in 1984, the facility will be the largest in China and include a breeding farm, hatchery, demonstration farm, slaughter house, cold storage facility and feed complex. Japanese sponsors reportedly will have the responsibility of marketing about one-fifth of the output outside of China.

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Milk production in WEST GERMANY is expected to total 25.4 million tons in 1982, an increase of 2 percent over 1981 when little growth occurred. This stronger growth results from relatively favorable EC support prices and from spring and summer weather that favored forage production. According to the U.S. agricultural counselor in Bonn, 1983 expansion will be about half the 1982 rate. With little growth in fresh milk consumption, most of the increase will be diverted to production of cheese, butter and non-fat dry milk. The latter two products in particular are in surplus and, as a result, production increases are likely to end up in government intervention stocks rather than in commercial markets.

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In the UNITED KINGDOM, the government has announced that effective Dec. 6, 1982, it will accept imports of uncooked poultry and eggs from the Netherlands, making it the second country to meet the new U.K. import health requirements regarding Newcastle disease. Imports from France were permitted several weeks ago. The certifications required of the Dutch by the U.K. will be somewhat different than for the French, since the Dutch still vaccinate against Newcastle disease. France was shipping large quantities of turkeys to the U.K. prior to the ban (4,000 tons valued at $10 million), whereas the Netherlands was exporting large quantities of broilers (13,200 tons valued at $20 million).

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FRUITS AND NUTS

Sultana exporters in GREECE have complained that EC measures regulating the marketing of the 1982 crop have not had the favorable impact anticipated and, as a result, exports have not been satisfactory. The main Greek complaint is that Turkey, its chief competitor, continues to sell its crop at prices below those set by the EC ($800-$850 per ton against $1,000) through "triangular" transactions involving Switzerland and Austria. Exporters also are concerned that processor subsidies for the 1982 crop are not available for 9-14 months, creating financial problems.

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GREECE's Ministry of Agriculture has announced that the EC has reduced the prices of dried figs sold to processors by intervention agencies by 22 percent in an effort to facilitate the sale of dried fig stocks, which amount to 4,400 tons of the 12,000-ton 1982 crop.

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Selected International Prices

Item	December 14, 1982		Change from previous week	A year ago
	$ per MT	$ per bu.	$ per MT	$ per MT
ROTTERDAM PRICES 1/				
Wheat:				
Canadian No. 1 CWRS-13.5%.*	202.50	5.51	+.50	221.00
U.S. No. 2 DNS/NS: 14%....	184.00	5.01	+2.50	197.00
U.S. No. 2 DHW/HW: 13.5%.**	188.00	5.12	--	205.00
U.S. No. 2 S.R.W..........	157.00	4.27	+1.00	184.00
U.S. No. 3 H.A.D*.........	174.00	4.74	-8.00	195.00
Canadian No. 1 A: Durum*..	200.00	5.44	-2.00	218.00
Feed grains:				
U.S. No. 3 Yellow Corn....	118.00	3.00	N.Q.	119.00
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	134.00
Feed Barley 3/...........	N.Q.	--	--	148.00
Soybeans and meal:				
U.S. No. 2 Yellow.........	232.75	6.33	-.50	255.50
Brazil 47/48% SoyaPellets 4/	230.00	--	+1.50	N.Q.
U.S. 44% Soybean Meal.....	216.00	--	-.50	234.00
U.S. FARM PRICES 5/				
Wheat.....................	126.76	3.45	-.37	132.28
Barley....................	62.46	1.36	+.46	77.16
Corn......................	86.61	2.20	--	90.55
Sorghum...................	88.18	4.00 6/	+.88	87.30
Broilers 7/...............	933.32	--	+61.94	887.57
EC IMPORT LEVIES				
Wheat 8/.................	105.84	2.88	+.47	77.90
Barley....................	98.83	2.15	-3.31	77.35
Corn......................	101.90	2.59	-2.85	108.90
Sorghum...................	91.39	2.32	-4.91	96.20
Broilers 9/...............	298.00	--	-6.00 10/	248.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	179.35	4.88	-1.25	188.93
Bread wheat...............	197.60	5.38	-1.62	218.37
Barley and all other feed grains.......	179.35	--	-1.25	188.93
Broilers 12/..............	1133.00	--	+7.00	--
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....................	72.74	1.98	+3.21	57.83
Wheat flour...............	N.Q.	N.Q.	N.Q.	N.Q.
Barley....................	72.50	1.58	+.42	46.01
Broilers 9/...............	192.00	--	-4.00 10/	145.00
Sugar, refined 13/........	319.00	--	+7.00	--

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Change in dollar value of broiler levy or restitution generally reflects currency fluctuations and not change in level set by EC. 11/ Basically the intervention price is the EC farm price support, determined annually. 12/ F.o.b. price for whole broilers at West German border. 13/ Nov. 24-Dec. 8, based on a maximum subsidy of 34.646 ECU's per 100 kg. N.Q.=Not quoted.

Note: Basis January delivery. * April-May. ** HRW 13%.

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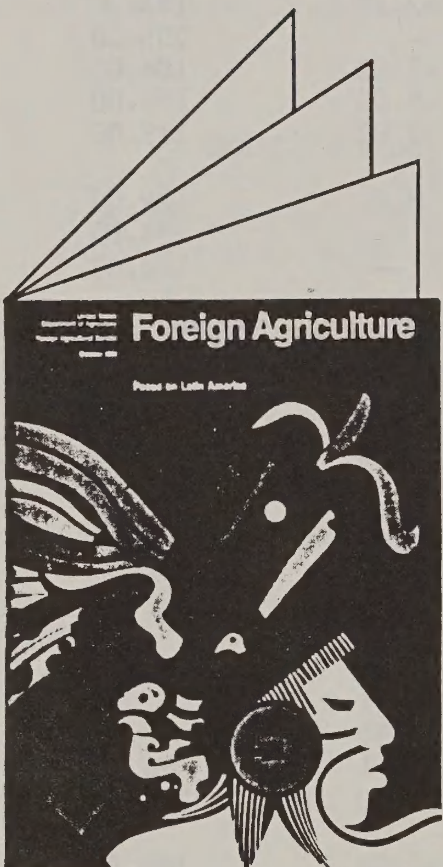

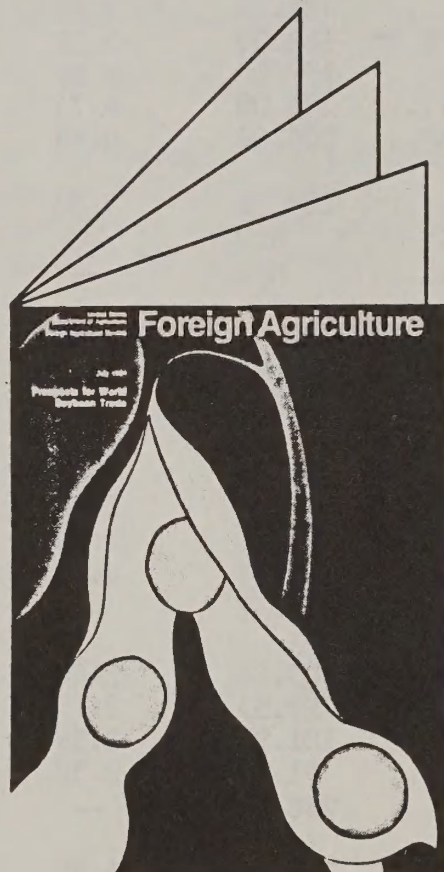

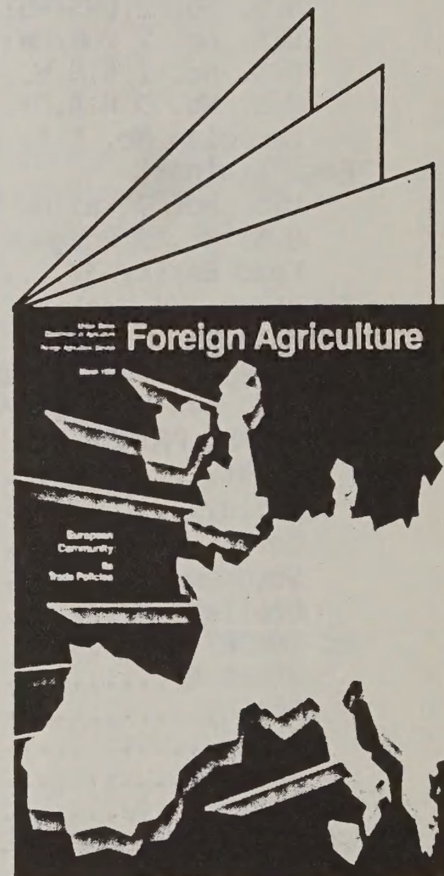

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